

2007 ANNUAL REPORT TO THE LEGISLATURE



PURPOSE OF THE ANNUAL REPORT

The annual report provides information on the operations of the Louisiana Legislative Auditor to the Louisiana Legislature and other interested parties.

STATUTORY AUTHORITY

The Louisiana Legislative Auditor was established on July 1, 1964, the effective date of an amendment to the 1921 Louisiana Constitution which created the office. The Louisiana Legislature provided the authority for the office in Louisiana Revised Statute 24:513.

HISTORY

For information on the history of the Louisiana Legislative Auditor, visit [*history*](#)

VISION

We envision a government responsive to the needs of the people of Louisiana and accountable for efficient, effective, and appropriate use of public resources through timely, objective, and accurate public communications.

MISSION

To provide legislative oversight relating to the use of public resources within Louisiana, by providing timely, objective, and accurate information on public funds, the stewardship of public officials, and the performance of public programs.

GOALS

- Provide the legislature and other public officials accurate and relevant information for use in their decision making process
- Provide quality audit services for state and local governments, and those who rely on their services
- Maintain a credible, professional organization devoted to serving the needs of our customers
- Provide the personnel, environment, and resources to meet the needs of our customers

DUTIES OF LEGISLATIVE AUDITOR

- Constitutional Officer
- Fiscal advisor to the legislature
- Audit of state and local governments
- Financial audits
- Performance audits
- Compliance audits

SERVICES

- Actuarial services to the legislature and its retirement committees
- Quality control and oversight of local audits by independent public accountants
- Legal and accounting consultation to state and local government
- Fiscal assistance to the state bond commission

LEGISLATIVE AUDIT ADVISORY COUNCIL

The Legislative Audit Advisory Council is a joint legislative committee that serves as the oversight and advisory body for the Louisiana Legislative Auditor. The LAAC is comprised of 5 senators and 5 representatives.

Information about the Legislative Audit Advisory Council and its meetings can be found at the [Louisiana Legislature Committee Page](#).



2008 Legislative Audit Advisory Council



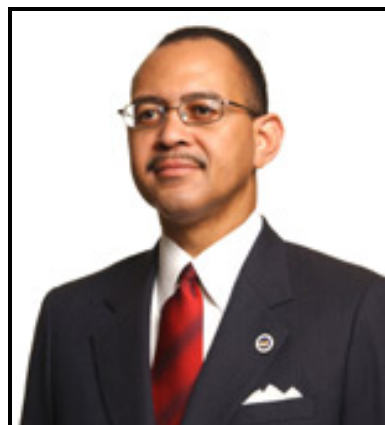
Representative Noble E. Ellington
Chairman



Senator Willie L. Mount



Senator Nicholas "Nick" Gautreaux



Senator Edwin R. Murray



Senator Ben W. Nevers, Sr.



Representative Charles E. "Chuck" Kleckley



Senator John R. Smith



Representative Anthony V. Ligi, Jr.

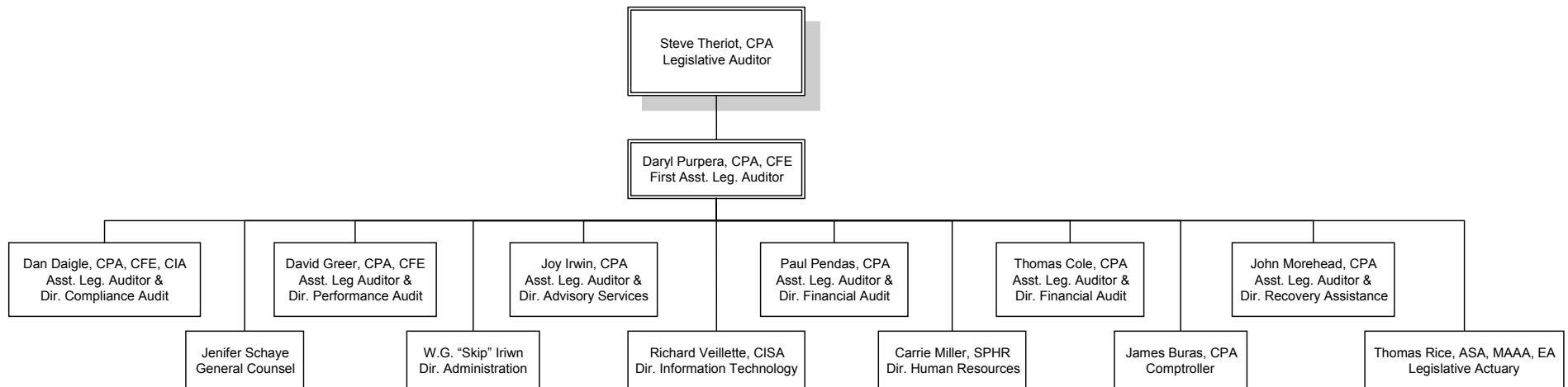


Representative Neil C. Abramson



Representative Cedric Richmond

Louisiana Legislative Auditor 2007 Organizational Structure



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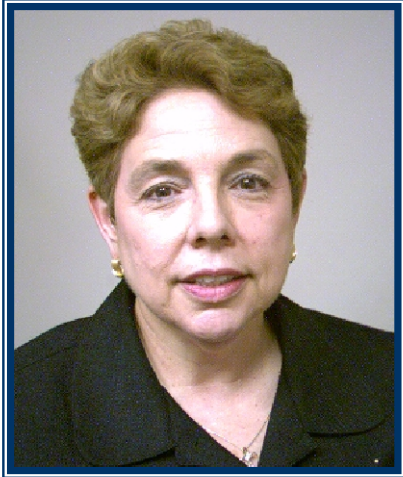
2007 Louisiana Legislative Auditor Management Team



Steve J. Theriot, CPA
Legislative Auditor



Daryl Purpera, CPA, CFE
First Assistant Legislative Auditor



Jenifer Schaye
General Counsel



Thomas Rice
ASA, MAAA, EA
Legislative Actuary



Thomas Cole, CPA
Asst. Legislative Auditor and
Director of Financial Audit



Paul Pendas, CPA
Asst. Legislative Auditor and
Director of Financial Audit



John Morehead, CPA
Asst. Legislative Auditor and
Directory of Recovery Assistance



Joy Irwin, CPA
Asst. Legislative Auditor and
Director of Advisory Services



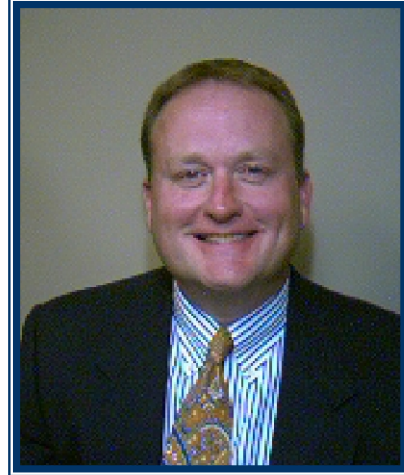
David Greer, CPA, CFE
Asst. Legislative Auditor and
Director of Performance Audit



Dan Daigle, CPA, CFE, CIA
Asst. Legislative Auditor and
Director of Compliance Audit



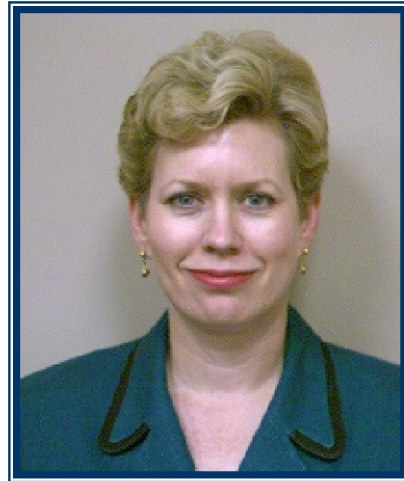
Skip Irwin
Director of Administration



James Buras, CPA
Comptroller



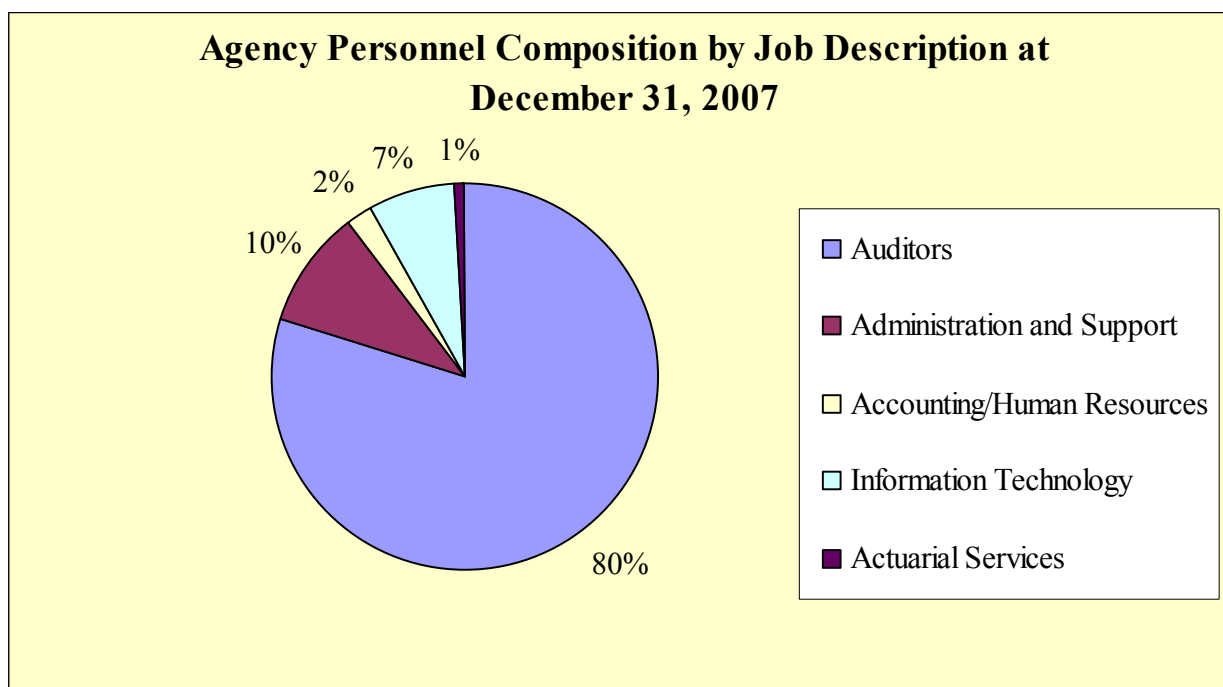
Richard Veillette, CISA
Director of Information Technology



Carrie Miller, SPHR
Director of Human Resources

Louisiana Legislative Auditor Employees

- The Louisiana Legislative Auditor is staffed with highly trained employees who are dedicated to the tasks of providing quality audit and advisory services to Louisiana government.
- Figure 1 shows the agency personnel composition by job description.



Louisiana Legislative Auditor Employees

Figure 2 shows the certifications and advanced degrees held by our employees.

Master's Degree	76
Juris Doctorate	4
IBM Certified Application Developer—Lotus Notes & Domino 6	1
Cisco Certified Network Associate	2
Certified Fraud Examiner	18
Certified Government Financial Manager	5
Certified Government Finance Officer	1
Certified Internal Auditor	8
Internet Business Strategist	1
Certified Information Systems Auditor	9
Certified Information Systems Security Professional	2
Certified Internet Webmaster	1
Certified Legal Assistant	1
Certified Netware Administrator	1
Certified Public Accountant	88
Certified Professional Public Buyer	1
Certified Professional Secretary	1
IBM Certified System Administrator—Lotus Notes and Domino 6	2
Certified Training Professional	3
Enterprise Content Manager Practitioner	1
Microsoft Certified Professional	1
Microsoft Certified System Engineer	3
Senior Professional in Human Resources	2
Total	232

Louisiana Legislative Auditor

The major sections of the office include:

- Financial Audit Division
- Compliance Audit Division
- Performance Audit Division
- Advisory Services Division
- Recovery Assistance Division
- Information Technology Division
- Actuarial Services Division
- Administration Division
- Legal Counsel
- Human Resources

The main office is located in Baton Rouge and a satellite office is maintained in New Orleans.

Financial Audit Division

- Provides financial audits to state governmental agencies and universities
- Conforms with professional auditing standards adopted by the American Institute of Certified Public Accountants and the standards issued by the United States Government Accountability Office
- Assesses the stewardship of public officials to instill public confidence in government
- Information Technology Audit
 - Evaluates the design and operational effectiveness of critical information technology controls and identifies specific information relative to technology risk
 - Provides assistance and consultation on the impact of information technology on division audits
 - Provides reporting and data-mining support to audit teams and management concerning state data systems
 - Conducts financial and agreed-upon procedures engagements

During the fiscal year 2007, the Financial Audit Division issued 89 audit reports on state departments, agencies, and boards.

The division conducts financial and agreed-upon procedures engagements.

Financial audits include:

- State of Louisiana Comprehensive Annual Financial Report
- Component units of the State of Louisiana such as state university systems and statewide elected officials
- Individual state agencies and departments

Compliance Audit Division

- Investigates of allegations of improprieties of state and local governmental units
- Resolution of significant and/or repeat findings presented in governmental units
- Background investigations of appointments by the Governor to certain gaming boards and commissions for the purpose of confirmation by the Senate
- Promotes fraud and abuse awareness as it relates to the serious misappropriation of public funds
- Responds to requests for compliance audits from:
 - Private residents, state and local governmental employees and officials, members of the legislature
 - Louisiana Attorney General, local district attorneys, Louisiana State Police, local law enforcement agencies
- The Compliance Audit Division's efforts in 2007 resulted in 29 completed projects and 14 issued reports or letters involving public funds totaling **\$46,278,996**. In addition, the division assisted with hurricane recovery efforts in coordination with the Governor's Office of Homeland Security and Emergency Preparedness.

Performance Audit Division

- Examines the effectiveness and efficiency of public programs and activities of state government
- Provides objective, independent, and relevant information to assist the legislature and program managers in their decision-making process
- Evaluates organizational structure, management policies, program outcomes, client satisfaction, and legal implications
- Provides accurate information to help the legislature make difficult decisions related to state government.

Performance audits are conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Louisiana Revised Statute 24:522 requires that at least one performance audit be completed and published for each of the 20 departments of the executive branch of state government every seven years.

2007 Performance Audits:

- Oil and Natural Gas Severance Tax Exemptions Program
- Levee Districts
- Department of Health and Hospitals: Office of Public Health Laboratory
- Road Home Housing Assistance Centers
- Departments of Economic Development and Revenue: Motion Picture Tax Credits
- Louisiana Citizens Property Insurance Corporation: Rate-Setting
- Road Home Program: ICF Contract and Deliverables
- Road Home Program: Analysis of Road Home Program Fiscal Shortfall
- Excessive Fine Enforcement
- Road Home Program: Review of Policy Change Approval Process
- Louisiana Citizens Property Insurance Corporation: Comparisons to Similar Entities
- Road Home Program: Pre-Closing Process
- Road Home Program: Resolution Process
- Road Home Program: Review of Low to Moderate Income Determination
- Property Insurance Association of Louisiana: Public Entity Subject to Various State Laws
- Road Home Program: Additional Compensation Grant Documentation
- Louisiana Department of Economic Development: Business Recovery Grant and Loan Program - First Round Grant Awards
- Road Home Program: Pipeline Reliability
- Department of Social Services: Bureau of Licensing

Additional Activities in 2007:

- Fiscal Notes

Advisory Services Division

Advisory Services

- Provides fiscal management advice and best practices guidance
- Provides training for local governmental entities
- Provides advice on compliance with state laws
- Provides advice to newly-elected officials
- Provides accounting/auditing technical assistance and financial reporting forms
- Provides support to the Louisiana Bond Commission and the Louisiana Fiscal Review Committee
- Provides support for special legislative projects

Tax Review

- Certifies accuracy of tax millages
- Provides training for taxing bodies and assessors
- Maintains database of all Louisiana millages

CPA Engagement and Report Processing

- Monitors and processes audits performed by independent CPAs
- Approves engagement agreements for all audits, review/attest, and compilation services between independent CPAs and local auditees
- Enforces the state audit law
- Prepares the annual Boards and Commissions report
- Ensures timely completion and quality of reports
- Distributes reports
- Contracts certain state audits

Fiscal Notes

- Provides fiscal notes for all legislation governing local governmental entities

Recovery Assistance Division

- Strives to provide accountability for state and local governments while ensuring that affected entities receive the federal resources and support they need
- Provides guidance on Federal Emergency Management Agency (FEMA) eligibility for qualifying entities and reviews Project Worksheets submitted to the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP)
- Provides guidance to the Office of Community Development (OCD) regarding Community Development Block Grants (CDBG) eligibility for qualifying entities and accountability for federal funds
- Provides assistance to state and local governments related to disaster recovery funds
- Establishes and implements procedures in coordination with GOHSEP to ensure timely review and payment of funding requests to state and local government agencies

Actuarial Services

The Legislative Actuary serves as the actuarial advisor to the Louisiana Legislature. The actuary provides a variety of statutorily required actuarial and consulting services, including:

- Prepares actuarial notes for legislation
- Performs the actuarial review of all states and statewide public retirement system actuarial valuations and audited financials
- Prepares the *Annual Report on Louisiana Public Retirement Systems* on the condition of state and statewide public retirement systems for the legislature and the governor
- Certifies cost-of-living allowances (COLAs) for state and statewide public retirement systems
- Publishes official state amortization tables and outstanding balances of the Unfunded Accrued Liability (UAL) of the state retirement systems
- Attends legislative committee meetings and assists as requested
- Provides actuarial consulting to legislators relative to possible legislation
- Reviews special information submitted by retirement systems as required by legislation
- Provides actuarial support to the Legislative Auditor regarding pension and risk-related matters

Information Technology Division

- The Information Technology Division provides support to the Legislative Auditor in maintaining its wide area network. This division manages the computer resources of the Legislative Auditor by:
 - Analyzing, developing, and maintaining software applications
 - Operating and maintaining the local and wide area networks
 - Maintaining hardware platforms
 - Training employees on the proper use of systems
 - Maintaining a Help Desk for software or hardware trouble calls
 - Optimizing systems so that they are used efficiently and effectively
 - Providing technical consultation to all divisions and sections of the Legislative Auditor

Administration Division

- Provides operations support:
 - File maintenance and retrieval
 - Editing, report production, and distribution
 - Building and equipment maintenance
 - Purchasing and inventory
 - Telephone communications
 - Building security and parking
 - Safety
- Accounting
 - Prepares and monitors the office budget
 - Ensures accountability for office resources
 - Prepares annual financial statements for office
 - Provides accounting services including payroll, disbursements, and cash management

Legal Counsel

- Serves as General Counsel
 - provides written and verbal opinions
 - represents the Legislative Auditor before federal and state courts, administrative tribunals, and at depositions, hearings, conferences, and all other legal forums
- Serves as legal counsel to the Legislative Audit Advisory Council
 - provides legal research, written and verbal legal opinions, and formulation of official statements
- Drafts and monitors all legislation pertaining to audits, accounting, and financial activities of state and local governments
- Maintains a systematic log of all Attorney General opinions relating directly or indirectly to public finance
- Renders legal assistance relating to public finance issues to public officials, governmental auditors, varied organizations and associations, and the general citizenry of the state

Human Resources Division

- Responsible for all employment-related activities
 - Recruitment
 - Benefits administration
 - Compensation
 - Information and Training department
 - Human Resources training
 - Continuing Professional Education
 - Research to support audit objectives
 - Intranet & Web site

Who Audits the Auditor?

- Compliance with governmental accounting standards:
 - External peer review at least once every three years
 - National State Auditors Association's (NSAA) Quality Control Review Program
 - establishes policies and procedures governing the NSAA external peer review program
 - ensures compliance with *Government Auditing Standards*
- Annual external audit conducted by external CPA Firm

Financial Statement Audit

Financial Statements for the Louisiana Legislative Auditor's Office can be found on our Web site or by clicking the link below.

[2007 Financial Statement](#)

How to Retrieve LLA's Reports

All of the audit reports issued by the Louisiana Legislative Auditor and by independent CPAs can be found on our Web site at www.la.la.gov.

Click here for Reports



Louisiana Legislative Auditor
Steve J. Theriot, CPA

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Divisions
Tax Review
CPA Assistance
Govt Assistance
Disaster Assistance
Legal Assistance
Career Opportunities
Contract Opportunities
Complaints
FAQs
Site Map

Welcome to the Louisiana Legislative Auditor's Website.

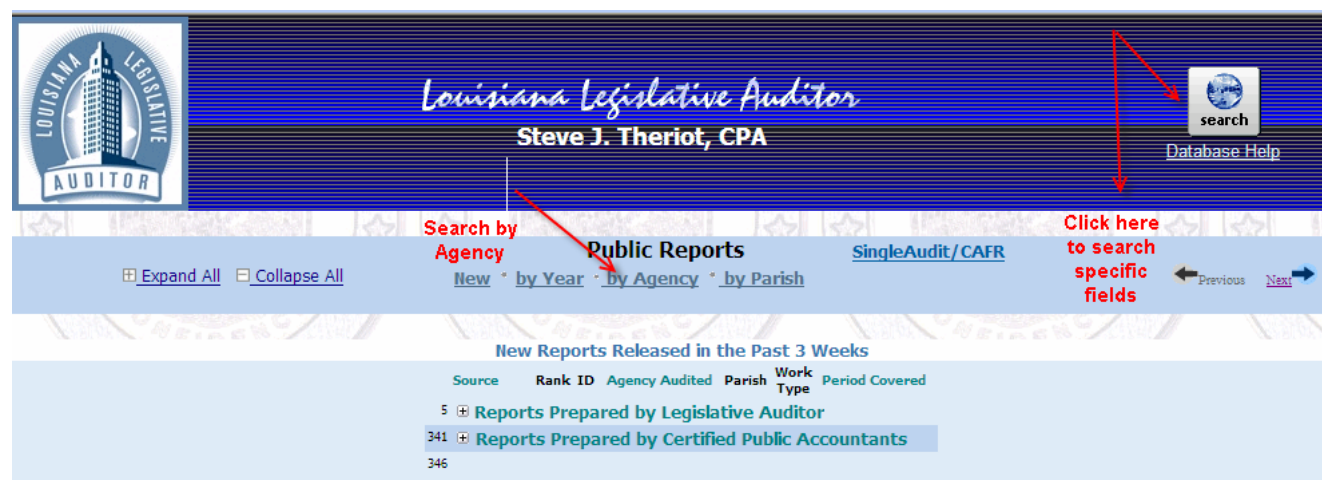
We have provided information to help you learn more about our organization as well as audit resources, and access to our audit reports.

The Legislative Auditor is one of the largest public accounting practices in the State of Louisiana and certainly one of the largest employers of certified public accountants. However, in addition to accountants, the Legislative Auditor also employs public administrators, attorneys, computer analysts, IT auditors, and many other individuals who offer the public a broad spectrum of skills.

The Legislative Auditor serves as the watchdog of public spending overseeing more than 3,500 audits of state and local government and their related quasi-public enterprises. Conducting independent financial and performance audits of the State's agencies, colleges, and universities, our auditors find ways to improve government and identify critical issues to protect public resources and tighten government control systems. When necessary, we follow up on allegations of waste, or abuse. Audits are contained in the Website and can be searched by choosing *New Audit Reports*.

[Steve J. Theriot, CPA
Legislative Auditor](#)

[Entities that are not in compliance with the Audit Law as of today. This list is prepared by LLA to inform state and local entities who are obligated to implement House Bills 1 and 2.](#)



Louisiana Legislative Auditor
Steve J. Theriot, CPA

search Database Help

Expand All Collapse All

Search by Agency Public Reports Single Audit / CAFR

New * by Year * by Agency * by Parish

Click here to search specific fields

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New Reports Released in the Past 3 Weeks

Source	Rank	ID	Agency Audited	Parish	Work Type	Period Covered
5	+		Reports Prepared by Legislative Auditor			
341	+		Reports Prepared by Certified Public Accountants			
346						

How to Read LLA's Reports

Explanations of the Documents Work Types

The work types describe the type of audit report.

- A** Reports with a work type of "A" are Financial and Compliance Audits. These types of audits are intended to give the users of the reports assurance regarding the reliability of the financial statements.
- B** Reports with a work type of "B" are Financial and Compliance Audits of a Program or a Sub-Agency. These types of audits are intended to give the users of the reports assurance regarding the reliability of the financial statements of the Program or Sub-Agency.
- L** Reports with a work type of "L" are Performance Audits on Economy and Efficiency or Program Results Examination Audits. These types of audits are audits on Performance.
- P** Reports with a work type of "P" are Specified Procedures Examination Audits. These types of audits are examinations of certain procedures.
- E** Reports with a work type of "E" are Other Assurance Examination Audits.
- V** Reports with a work type of "V" are Review Audits.
- C** Reports with a work type of "C" are Compilation and Review Audits.
- I** Reports with a work type of "I" are Internal Control Review Audits.
- S** Reports with a work type of "S" are Special Investigation Audits.
- O** Reports with a work type of "O" are Other Services/Projects (including Staff Studies) Audits.